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SIPDIS

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SUBJECT: FRAUD SUMMARY - ST. PETERSBURG

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1A. Country Conditions: Economic growth in St. Petersburg has slowed markedly over the past year. The average salary for St. Petersburg's population of 4.5 million is still about double the nationwide average of about \$5,000 a year. Salaries nevertheless lag behind those in Moscow, and have fallen by about 5% since summer 2008 in the local currency, and by over a third in dollars when the substantial ruble devaluation of the past year is taken into account. Economic indices, including income, cost of living, and jobless rates, vary from region to region in Northwest Russia, though members of ethnic minorities in particular tend to be underemployed while the elderly are most vulnerable to broad inflationary pressures. As evidenced from this and previous reports, the level of visa fraud in St Petersburg is considered moderate..

1B. NIV FRAUD: The worldwide economic crisis and ruble devaluation have not spared Northwest Russia, and though over 90 percent of NIV applicants are issuable, post has witnessed an increase in the number of mala fide applicants seeking admission to and employment in the US. Even among otherwise legitimate vacation travelers, many Russians still consider it necessary to bolster their NIV applications with fabricated documents, trumped-up employment letters, and inflated salary claims. In addition, post has encountered an increasing number of petition-based applications for work at non-existent companies in the U.S.

Apart from the above-mentioned types of fraud, Post's FPU has uncovered a sophisticated visa facilitating ring in Kaliningrad.

Investigation reveals so far that this ring may have begun its activity as far back as 2004. The ring includes an inviter on the American side, and a facilitator in Kaliningrad, both of whom we have been able to identify by name and appearance. Applicants have admitted to paying the Kaliningrad facilitator up to 2,000 Euros for an invitation and package of supporting documents. We will continue to monitor the activities of both the broker and facilitator, and work with ARSO-I to root out any illegal activity on the U.S. side.

B1/B2

St. Petersburg's FPU continues to see people affected by the crisis who attempt to use the B1/B2 visa to move to the US in search of work. Following up on poison pen letters, we uncovered a plot by an applicant seeking work as a plumber in Florida.

FPU monitors the activities of local visa facilitating agencies that try to deploy new methods for helping their clients receive visas. One applicant hid the fact that she had a US LPR fianci, and she admitted that a known visa facilitating agency rehearsed a scenario with her, prior to the interview, coaching her on how she should act and what she should say. After she was caught

making several contradictory statements, she admitted her ruse. Also, a notarial company in the Consulate's neighborhood unwittingly informed our FSN-I that they provide advice to visa applicants, telling them to claim a high salary, "the higher the better," in order to improve their chances of issuance. Thus, several female applicants provided legitimate documents but claimed much higher salaries than they received in reality.

Other variations on the same theme include the following: one applicant provided a job letter from a company she had left a year prior; another applicant who truly did work for a large, famous company in St. Petersburg claimed her purpose of travel as business, but instead intended to go live with a male friend.

J1

During this year's Summer Work and Travel season, FPU paid particular attention to Rospersonal, an SWT agency new to our area. Initially, we discovered that the agency was providing its students with job offers through Alliance Abroad Group at US companies that no longer existed. Further investigation revealed that they were also selling fake university IDs and student record books for clients who were not bona fide students but nevertheless were looking for a way to go to the U.S.

Another agency, NewWorkCity, remains of concern to the Consulate after excessive appeals for unqualified applicants in previous years. This year, although NewWorkCity recruited only a few students for SWT, several proved to be less than prudent selections. One applicant, for example, when questioned about why she was not attending university, admitted that she works in St. Petersburg at an erotic services salon.

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We also continued to encounter more "garden variety" SWT fraud. Final year students, or those who graduated recently and pretended to be students, would bring us fake university certificates claiming they were in their third or fourth year of study.

Some students continued to bring fake job offers from U.S. employers, even though the Consulate does not require a job offer at the interview. Others provided letters from existing jobs where they were accepted, but would add a fake signature, presumably from the U.S. employer, believing only a fully "complete" job offer letter would make the case stronger.

H/L fraud

FPU continues to review questionable H and L petitions, often in collaboration with post's ARSO-I. There are three petitions currently under review, and three petitions were sent to KCC with revocation requests during the reporting period. In most cases, post has discovered that the supposed petitioning business does not exist and is not doing business as claimed in the petition.

1C. IV FRAUD: N/A

1D. DV FRAUD: N/A

1E. ACS AND U.S. PASSPORT FRAUD: No ACS or U.S. passport fraud encountered during this reporting period.

1F. ADOPTION FRAUD: N/A

1G. USE OF DNA TESTING: N/A

1H. ASYLUM AND OTHER DHS BENEFIT FRAUD: N/A

1I. ALIEN SMUGGLING, TRAFFICKING, ORGANIZED CRIME, AND TERRORIST TRAVEL: Post encountered one visa applicant with a P3A2 entry

in CLASS. Subsequent investigation revealed his organized crime ties, as well as allegations of murder and extortion. The applicant was refused 3A2. Post also found one applicant ineligible under 6E when FPU confirmed a prior P6E Minsk hit. This applicant collaborated with a friend in the U.S. to commit fraud in order to assist her brother in obtaining a J1 Summer Work and Travel visa, including coaching the U.S. citizen on how to lie on the brother's behalf.

J. DS CRIMINAL FRAUD INVESTIGATIONS: ARSO-I investigations have concentrated on several H, L, and J-1 Summer Work and Travel cases. The number of fraudulent H and L visa applications has remained the same over the previous period. Most of these investigations lead to revocations but no criminal convictions. A current J-1 Summer Work and Travel (SWT) investigation identified a document vendor who sells university documents. A second J-1 SWT case appears to involve an insurance fraud scheme to defraud the private insurance which students are required to purchase. ARSO-I and Consular FPU cooperated on an investigation of a Russian entertainer who used his employment to obtain an A referral for his daughter, resulting in a 6E finding for the entertainer; the same man also appeared in Facial Recognition under a false identity for a pending DV application.

K. HOST COUNTRY PASSPORT, IDENTITY DOCUMENTS, AND CIVIL REGISTRY: N/A

L. COOPERATION WITH HOST GOVERNMENT AUTHORITIES: FPU conducted two training sessions with document inspection officials at Kaliningrad's international airport. The sessions, on identifying impostors and on detecting counterfeit documents, were attended by all 9 members of the airport's inspection team. As a follow-up, we shared the carrier liaison guide with them, and we hope to develop closer collaboration with this part of our consular district.

M. AREAS OF PARTICULAR CONCERN: N/A

N. STAFFING AND TRAINING: The Fraud Prevention Unit has one Consular Officer, one Fraud Prevention FSN, and one ARSO/I. The FP FSO and FSN attended a regional Fraud Prevention conference in Kyiv in April 2009. The FP FSO attended the Fraud Prevention for Managers training course at FSI in April 2008, and the FP FSN last attended a fraud training program at FSI in April 2006. GWALTNEY